

Bilateral Cooperation on the Joint Crediting Mechanism for the Low Carbon Growth Partnership between Japan and the Republic of Indonesia

1. The Japanese side and the Indonesian side (hereinafter referred to as “both sides”), in pursuit of the ultimate objective of the United Nations Framework Convention on Climate Change (hereinafter referred to as the “Convention”) as stated in its Article 2 and of achieving sustainable development, and in order to continue to address climate change in cooperation beyond 2012, promote the Low Carbon Growth Partnership as follows.
2. Both sides hold close policy consultations at various levels for cooperation toward low carbon growth under the United Nations, at the regional and bilateral frameworks, including the East Asia Low Carbon Growth Partnership.
3. Both sides, in order to promote investment and deployment of low carbon technologies, products, systems, services and infrastructure to achieve low carbon growth in Indonesia, establish a Joint Crediting Mechanism (hereinafter referred to as the “JCM”) and implement it in accordance with the relevant domestic laws and regulations in force in respective countries.
4. Both sides establish the Joint Committee to operate the JCM, which consists of representatives from both sides.
5. The Joint Committee receives an appropriate guidance on the implementation of the JCM from the relevant ministries and ministers.
6. The Joint Committee decides rules and guidelines for the JCM.
7. Both sides mutually recognize that verified reductions or removals from the mitigation projects under the JCM can be used as a part of their own internationally pledged greenhouse gases mitigation efforts.
8. Both sides ensure the robust methodologies, transparency and the environmental integrity of the JCM and maintain the JCM simple and practical, to promote concrete actions for global greenhouse gases emissions reductions or removals.
9. Both sides ensure the avoidance of double counting on greenhouse gases emission reductions or removals by not using mitigation projects registered under the JCM for the purpose of other international climate mitigation mechanisms.
10. Both sides work in close cooperation to facilitate financial, technological and capacity building support necessary for the implementation of the JCM.

11. The JCM starts its operation as the non-tradable credit type mechanism. Both sides continue consultation for the transition to the tradable credit type mechanism and reach a conclusion of such consultation at the earliest possible timing.
12. Both sides aim for concrete contributions to assisting adaptation efforts of developing countries through the JCM upon the operationalization of its tradable credit type mechanism.
13. This partnership covers the period from the signing of this document until the operationalization of a new international framework under the Convention. Both sides consider possible extension of this partnership and reach a conclusion before its termination, taking into account, inter alia, the progress of negotiations under the Convention.
14. Any content of this document may be modified upon written mutual consent of both sides.

Signed in duplicate in Tokyo on _____ 2013 by the Japanese side and
in Jakarta on _____ 2013 by the Indonesian side, in the Japanese,
Indonesian and English languages. All texts have equal values. In case of any divergence
of interpretation of the texts, the English text will be referred to.

For the Japanese side

For the Indonesian side

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